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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92025859
Party	Plaintiff Empresa Cubana Del Tabaco d.b.a Cubatabaco
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the matter of Trademark Registration No. 1147309
For the mark COHIBA
Date registered: February 17, 1981

AND

In the matter of the Trademark Registration No. 1898273
For the mark COHIBA
Date registered: June 6, 1995

EMPRESA CUBANA DEL TABACO, d.b.a. CUBATABACO, Petitioner, v. GENERAL CIGAR CO., INC. and CULBRO CORP. Respondents.	:	Cancellation No. 92025859

PETITIONER'S REPLY IN SUPPORT OF MOTION TO EXCLUDE RESPONDENT'S SUPPLEMENTAL EXPERT REPORT AND RELATED TRIAL TESTIMONY OR, IN THE ALTERNATIVE, TO RE-OPEN DISCOVERY CONCERNING THE SUPPLEMENTAL EXPERT REPORT

Petitioner *Empresa Cubana del Tabaco dba Cubatabaco* ("Petitioner") respectfully submits this reply memorandum in further support of its Motion to Exclude the Supplemental Expert Report of Respondent's purported expert Richard Carleton Hacker ("Hacker") and Related Trial Testimony or, in the alternative, to Re-Open Discovery Concerning the Supplemental Expert Report.

Respondent surprisingly produced the Supplemental Expert Report ("SER") 2.5 years after Respondent produced Hacker's original May 2017 Expert Report ("2017 Report") and Petitioner deposed him during discovery on same, almost 17 months after the close of discovery, 15 months after the start of the trial and 3 months after the completion of Petitioner's trial testimonial period.

The SER, *inter alia*: (a) dedicates nearly half of its substantive paragraphs to the role of cigar podcasts in consumer confusion even though (i) Hacker never mentioned cigar podcasts in his 2017 Report and (ii) cigar podcasts, including those that Hacker cites in the SER, predated his 2017 Report by at least 7

years, as Respondent concedes; and (b) includes a new and previously undisclosed opinion that cigar publications confirm cigar consumers' education and sophistication about the cigars they purchase and smoke, even though cigar publications existed at the time of his 2017 Report.

As shown in Petitioner's Motion and below, the SER is both untimely and improper supplementation. In addition, Respondent's extremely late filing of the SER was neither substantially justified nor harmless. Respondent has not even attempted to explain why it could not have come forward with the SER much earlier.

Moreover, Respondent's extremely late filing in the middle of trial and after Petitioner's testimonial period, has seriously and impossibly prejudiced Petitioner. Any attempt to rectify this prejudice, requiring additional discovery, additional time to assess how to respond to Hacker's citation to thousands of hours of podcast recordings and a second discovery deposition, would cause significant and undue delay in the trial.

1. Hacker's "Expert" Opinions Concerning Cigar Podcasts Must Be Excluded Because, As Respondent Concedes, Cigar Podcasts Existed When Hacker Wrote His Original 2017 Report, But He Failed to Mention Them For Lack of Adequate Preparation

Respondent concedes – as it must – that, by 2017 when Hacker wrote his original Report, cigar podcasts had existed for at least 7 years and were readily available for Hacker to rely upon in 2017. 244 TTABVUE 14; 245 TTABVUE 25. Even perfunctory research in 2017, let alone the kind of in-depth research and knowledge expected of a true expert, would have identified such cigar podcasts. Hacker, nonetheless, failed to mention them in his 2017 Report or subsequent June 2017 discovery deposition. 245 TTABVUE 25. This conceded fact alone is conclusive to prohibit Respondent and Hacker from relying upon cigar podcasts to support Hacker's opinions.

Cases, including binding Board precedent, are legion that affirm that an expert cannot bolster the expert's previous opinions with additional facts that were available to the expert at the time of the original expert disclosures. *See Gemological Inst. of Am., Inc. v. Gemology Headquarters Int'l*, LLC, 111 U.S.P.Q.2d 1559 (T.T.A.B. 2014) ("Supplementation under Rule 26(e) 'means correcting inaccuracies, or filling the interstices of an incomplete report based on information that was not available at the time of the initial disclosure.'") (emphasis added) (*quoting Keener v. United States*, 181 F.R.D. 639, 640 (D. Mont.

1998)); *Ezaki Glico Kabushiki Kaisha v. Lotte Int'l Am. Corp.*, 2019 WL 581544, at *3 (D.N.J. Feb. 13, 2019); *Jones Creek Investors, LLC v. Columbia Cnty.*, 98 F.Supp.3d 1279, 1289 (S.D. Ga. 2015); *3M Innovative Props. Co. v. Dupont Dow Elastomers, LLC*, 2005 WL 6007042, at *4 (D. Minn. Aug. 29, 2005); *U.S. v. Menominee Tribal Enters.*, 2009 WL 2877083, at *2 (E.D. Wis. Sept. 2, 2009).

The only explanation Hacker provides for his complete failure to mention cigar podcasts in his 2017 Report is that he "was not aware of the existence of cigar podcasts" then. 245 TTABVUE 25. However, "Rule 26(e) is not an avenue to correct failures of omission because the expert did an inadequate or incomplete preparation." *Ezaki Glico*, 2019 WL 581544, at *3; *Akeva LLC v. Mizuno Corp.*, 212 F.R.D. 306, 310 (M.D.N.C. 2002).

Respondent mistakenly relies on *Gemological Inst*. to support its position, which is not supported by *Gemological Inst.* or any other case, that the Board allows supplementation for "newly discovered information" that includes "information in existence at the time of the original report but which was not discovered by the expert until afterwards." 245 TTABVUE 15. The Board's holding in *Gemological Inst.* had nothing to do with "newly discovered information" and it certainly did not state or even imply that this term included information that was available to the expert at the time of the expert's original Report, such as is the case here. *See Gemological Inst.*, 111 U.S.P.Q.2d at 1562. It stated the contrary. *Id.* (Rule 26(e) means supplementation "based on information that was not available at the time of the initial disclosure.") (emphasis added; internal quotes omitted.)

The only case that Petitioner has found in which a court has allowed an expert to supplement his or her report based on "newly discovered information" is when the expert receives information *solely in the control of another party and belatedly produced* after submission of the original expert report. *See, e.g., Dzielak v. Whirlpool Corp.*, 2017 WL 1034197, at *33 (D.N.J. Mar. 17, 2017) (supplemental expert report allowed in order to reflect other party's sales data produced for first time after initial expert report).

"Newly discovered information" does not – and cannot – mean information that the expert had available to him or her but neglected to include. Permitting Hacker to rely on such information at this late

stage would only reward Respondent and Hacker for Hacker's lack of expertise in this area and/or inadequate preparation. *See United States v. Marder*, 318 F.R.D. 186, 190–92 (S.D. Fla. 2016).

Moreover, Respondent's twisted interpretation of "newly discovered information" would not only be unprecedented and unfair, it would also defeat the very purpose of the expert disclosure requirement, which is to avoid surprise and fix the evidence and opinions with which the parties have to contend at trial so a trial could be fairly and efficiently conducted. That effort would be hopelessly and unfairly frustrated if the Board allowed Respondent's tactic in this case. *See Friebel v. Paradise Shores of Bay Cnty., LLC*, 2011 WL 2420230 (N.D. Fla., June 13, 2011), at *2 (supplemental disclosures prohibited "whenever a party wants to bolster or submit additional expert opinions [because it] would reek [sic] havoc in docket control and amount to unlimited expert opinion preparation").

Discovery deadlines are important and the Board should hold Respondent and Hacker to observe them. *See Colony Apartments v. Abacus Project Mgmt., Inc.*, 197 Fed.Appx. 217, 223 (4th Cir. 2006) (supplementation "does not permit … an end-run around the normal timetable for conducting discovery"). The deadline for producing Hacker's expert disclosures was 2.5 years ago, after having been twice extended on consent from Petitioner by a total of six (6) weeks. 104-05, 107 TTABVUE. Hacker had more than sufficient time to include all of the bases of his alleged "expert" opinions; yet, he did not cite to or even mention podcasts in either his 2017 Report or subsequent discovery deposition. Hacker and Respondent must not now be allowed to belatedly rely on this evidence.

2. <u>Hacker's Opinion that Cigar Publications Are Additional Evidence of Cigar Consumers' Knowledge and Sophistication Must Be Excluded as a Previously Undisclosed Opinion Or Prohibited Bolstering</u>

Hacker's SER also includes the new and previously undisclosed opinion that "cigar publications … confirm that premium cigar consumers are well-educated and sophisticated about the cigars they purchase and smoke." 245 TTABVUE 57. Although Hacker opined in his 2017 Report on the knowledge and sophistication of cigar consumers about the cigars they purchase and smoke, he did not cite to, or rely on, 'cigar publications' to support this claim, even though cigar publications existed at the time of his 2017 Report and he cited publications to support another claim in his 2017 Report. 244 TTABVUE 14-15.

Respondent's argument that Paragraph 30 of the 2017 Report supports Hacker's claim that cigar publications confirm consumer sophistication and knowledge is wrong. 245 TTABVUE 14. Paragraph 30 only states that cigar publications have gone out of business or lost their clout. 244 TTABVUE 34. For the reasons and authority identified in Point 1, *supra* pp.2-4, Petitioner's Motion should therefore be granted.

To the extent that this is not a new opinion, but rather previously undisclosed additional evidence to bolster Hacker's opinion on consumer sophistication in his 2017 Report, it also must be excluded because 'cigar publications' were available for Hacker to rely upon in his 2017 Report, yet he failed to do so. *See supra* Point 1. As shown above, Board precedent prohibits Respondent and Hacker from going back now, at this extremely late hour, to shore up his 2017 Report.

3. <u>The SER's Untimely and Extremely Late Filing Has Prejudiced Petitioner</u>

a. Even if the SER were not substantively improper, which it is, Respondent never explains why it did not produce the SER earlier, when clearly it could have and was required to under the Federal Rules of Civil Procedure. *See* Fed, R. Civ. P. 26(e)(1)(A) (parties required to supplement "in a timely manner"). The 2017 Report principally concerns the role of (i) podcasts and (ii) cigar publications on consumer sophistication and knowledge, yet both podcasts and cigar publications were available for Hacker to rely upon in his 2017 Report. *See supra* Point 1-2, pp.2-4. Moreover, all three of the articles Hacker relies upon in the SER were published between 5 and 17 months prior to Respondent's producing the SER and Hacker admits that he learned about cigar podcasts at least 5 months prior to producing the SER. 244 TTABVUE 57-58 (articles); 245 TTABVUE 25 (podcasts).

b. Unable to explain why it did not supplement earlier, Respondent instead relies heavily on its unsupported and unfounded assertion that its extremely late production of the SER is justified because (i) likelihood of confusion is assessed at the time of Respondent's testimonial period and (ii) the passage of time between the 2017 Report and Respondent's testimonial period made the 2017 Report "incomplete." 245 TTABVUE, 3. This argument is ill-conceived for many reasons.

First, the lion's share of the evidence that Hacker relies upon in his SER was available to him at the time of his 2017 Report. The time lag between the 2017 Report and Respondent's testimonial period

cannot be used to excuse Hacker's failure to include information that he could have included in his original Report. *See supra* at pp.2-5.

Second, even if likelihood of confusion is assessed at the time of the trial, the trial started on October 8, 2018, when Petitioner's testimonial period opened, only about 16 months after Hacker's discovery deposition and original Report. Respondent could have produced the SER at that time, about 15 months before December 30, 2019 when Respondent ultimately produced the SER.

Third, there is absolutely no support for Respondent's novel and unprecedented proposition that likelihood of confusion is based not on the factual situation at the start of the trial, but rather on the factual situation at the start of Respondent's testimonial period. 245 TTABVUE, 3, 10, 12. Respondent does not cite a single case to support this preposterous proposition, nor has Petitioner found one.

Fourth, it cannot be the case that a 16 month gap between the end of expert discovery and the start of trial is itself sufficient to warrant supplementation of expert disclosures. If that were the case, it would create an endless cycle of supplementation – not only of expert disclosures but of all discovery.

It would also subvert the very purpose of disclosure – which is to prevent unfair surprise at trial, to allow the opposing party to depose the expert in advance of trial on all of the bases of his or her opinions to "lock[] the expert witness into . . . a complete statement of all opinions to be expressed and the basis and reasons therefor" so that "the opposing party knows exactly what [the opposing party] is facing" and can properly prepare its own case-in-chief as well as its cross-examination. 244 TTABVUE 11 (citing cases).

Indeed, all the purposes of disclosure would be subverted here by Respondent's eleventh hour submission of the SER, 2.5 years after having taken Hacker's discovery deposition on the 2017 Report, in the middle of the trial and after Petitioner's testimonial period has closed. Petitioner has made litigation decisions based on the 2017 Report and Petitioner's subsequent discovery deposition of Hacker. It has also presented its case-in-chief consisting of substantial evidence – 19 declarations and thousands of pages of documentary evidence in addition to other materials – that it prepared on the basis of the extensive discovery it took in this proceeding – including discovery from Hacker and 9 other discovery depositions, subpoenas of several third parties and its review of 10,000s of pages produced by Respondent.

Fifth, Respondent cannot be allowed to cherry pick which discovery obligations it chooses to satisfy. If the mere passage of time makes Hacker's Report "incomplete," it also makes Respondent's other discovery responses related to likelihood of confusion "incomplete," *see* Fed. R. Civ. P. 26(e)(1), imposing on Respondent the obligation to supplement all of its responses to Petitioner's numerous document requests and interrogatories related to likelihood of confusion, including the no-doubt thousands of pages of sales reports, marketing reports, emails and many other documents and information in Respondent's possession that are responsive to Petitioner's discovery requests related to likelihood of confusion.

Indeed, Petitioner obtained substantial evidence of confusion in Respondent's document production prior to 2017, including, for example, Respondent's **REDACTED** Petitioner presented much of that evidence in its case-in-chief. Petitioner has every reason to believe that post-2017 discovery documents would be relevant to likelihood of confusion.

4. The SER Should Be Excluded Because It Improperly Bolsters Hacker's 2017 Opinions; It Does Not Correct Misleading Opinions

Although Rule 26(e)(2) allows an expert the opportunity to correct the expert's misleading disclosures, it does not allow supplementation of expert opinions to bolster his or her opinions with new examples, as Hacker does in his SER. *See Akeva L.L.C. v. Mizuno Corp.*, 212 F.R.D. 306, 310 (M.D.N.C. 2002) (cited by the Board in *Gemological Inst.*) ("Rule 26(e) envisions supplementation when a party's discovery disclosures happen to be defective in some way so that the disclosure was incorrect or incomplete and, therefore, misleading.") (emphasis added). Even then, supplementation is only permitted when the prior disclosure is misleading "in some material respect." Fed. R. Civ. P. 26(e)(1)(A).

Neither Respondent nor Hacker asserts that Hacker's 2017 Expert Report was "misleading" in any way, let alone that "in some material respect." Quite the contrary, Respondent argues that Hacker is presenting the same opinions as in his 2017 Report. 245 TTABVUE 3 (SER does not state new opinions).

The only difference with the SER, according to Respondent, is that it includes additional alleged 'facts' to attempt to bolster Hacker's previous opinions, some of which Respondent's counsel itself

provided Hacker. 245 TTABVUE 26 (Hacker affirms that "counsel for Petitioner [*sic*; should be "Respondent"[1]] made me aware of" the three articles that Hacker cites to and attaches to his SER).[2]

In contrast to proper supplementation to correct a misleading impression, the SER has the hallmarks of improperly-presented rebuttal evidence with Respondent lying in wait to see what Petitioner would produce during its testimonial period and responding to such evidence with Hacker's supplementation. Such bolstering, whether to respond to Petitioner's testimonial evidence or otherwise, is clearly prohibited by the Federal Rules of Civil Procedure, the Board's prior pronouncement in *Gemological Inst.*, and the rule set forth in the TBMP § 401.03. 244 TTABVUE 12.

5. <u>Respondent's Repeatedly Misdescribes the Record</u>

Respondent repeatedly misdescribes the record in ways too numerous and varied to address here; [3] however, Petitioner must point out two of the most egregious examples.

First, Respondent claims that the SER only includes four new "facts" when, in reality, it includes a fifth alleged "fact" – that Hacker has "continued to meet with many premium cigar smokers and ha[s] engaged in many discussions with those smokers concerning both Cuban and non-Cuban cigars" and that

[1] Petitioner did not provide Respondent or Hacker with the 3 articles Hacker includes in his SER, nor did Petitioner's counsel have any contact with Hacker other than at his June 2017 discovery deposition.
[2] In addition to being improper supplementation, extremely late and prejudicial, Hacker's short and vague statement on the impact of U.S. travel restrictions on consumer awareness of where they can buy Cuban COHIBA cigars, 244 TTABVUE 57, should be excluded because it "is so general and lacking in detail it neither provides a meaningful basis for determining the substance of the expert's opinion, nor does it provide a fair basis for expert discovery," as is evident from even a cursory review of these eight (8) lines of text. *United States v. Marder*, 318 F.R.D. 186, 190–92 (S.D. Fla. 2016). Hacker's SER makes no specific reference to what changes to "travel restrictions of American citizens vising [*sic*] Cuba" he is referring to, when they occurred, or why he is an expert on the impact of U.S. travel restrictions on U.S. cigar consumer knowledge in the first place.
[3] For example, Respondent repeatedly and unfairly attributes delays in this proceeding to Petitioner. Respondent has caused repeated delays in this proceeding by, for example, filing its Motion to Cross-Examine Petitioner's Foreign Witnesses Orally, when there was clearly no basis for Respondent to do so, as the Board found, or by refusing to produce a confusion survey concerning the very same mark at issue here, which the Board ultimately required Respondent to produce. Respondent also incorrectly states that the delay in taking Mr. Willner's cross-examination was "[b]ecause Mr. Willner was not available for cross-examination until December 13, 2019." 245 TTABVUE 8. Willner made himself available on November 1, 2019, within the 30-day window required for Respondent to cross-examine him and despite his weekly travel for work outside of the country; however, <u>Respondent's counsel</u> was not available on November 1 and <u>Respondent's counsel</u> requested Willner's next available date of December 13, knowing full well that Respondent's counsel's decision would delay this proceeding.

"[n]o one [Hacker has] met with [since May 2017] ha[d] expressed any confusion to [him] between the General Cigar non-Cuban Cohiba cigar and the Cuban Cohiba cigar," 244 TTABVUE 53-54. Hacker made a similar assertion in his 2017 Report; yet, Petitioner was effective in completely undermining that assertion during its discovery deposition of Hacker based on Respondent's document production concerning the 2017 Report prior to the deposition, including production of Hacker's calendar entries identifying the frequency and types of cigar events Hacker attended, its independent research and thorough preparation for that deposition. *See, e.g.,* GENC0038056-892 (Hacker's personal calendar entries).

If the Board were not to exclude the SER, Petitioner should also be allowed discovery on this point – for example documents related to meetings with U.S. cigar consumers, documents identical to those that Respondent produced in 2017.

Second, Respondent claims that the SER only identifies podcasts as "additional source of information about cigars for U.S. cigar consumers," 245 TTABVUE 4, 15; however, Hacker's claim is much broader than that. He states, *inter alia*, that "[b]ecause the U.S. podcast hosts and their listeners are cigar smokers, they already know that Cuban and non-Cuban cigars are completely different, that they are made in different countries, that Cuban cigars cannot be sold in the U.S., that Cuban and non-Cuban cigars smoke (i.e. taste) differently, and that there is no relationship between Cuban and non-Cuban cigars" and that "cigar-related podcasts have only solidified the already-existing knowledge among American cigar smokers that the Cuban Cohiba and the non-Cuban Cohiba cigars are completely different from one another." 244 TTABVUE 56. These are significantly broader statements than Respondent represents in its Opposition and the Board ought not to allow them at this very late stage of the proceeding for the reasons stated above.[4]

6. <u>In the Alternative, the Board Should Re-Open Discovery For Three Months</u>

[4] The Board should also reject Respondent's argument, 245 TTABVUE 4, 15, that, in addition to providing purported "expert" opinion on the broad role of podcasts on consumer confusion, which Petitioner has shown above Hacker clearly could have, but did not, include in his 2017 Report, Hacker is also providing evidence of his direct interactions with the hosts and call-in listeners on the four (4) cigar podcasts in which he appeared. 245 TTABVUE 17-18. Recounting of such direct interactions is untimely, improper, extremely prejudicial and, in addition, <u>not even an expert opinion</u>.

If the Board does not exclude the SER and testimony related to same, it should re-open discovery for three (3) months to allow Petitioner to: assess how to respond to the large collection of new material that assertedly form the basis of Hacker's SER; and seek and review additional discovery to prepare for a second discovery deposition of Hacker on the SER (to which Respondent has already consented); and then take this discovery deposition in advance of Petitioner's cross-examination of Hacker at trial.

Additional time for careful discovery is particularly warranted here as discovery of Hacker in 2017 showed him to be unconscionably unreliable, misleading and reckless in his assertions. For example, his 2017 Report stated that cigar consumers are better informed because of their use of mobile 'smartphones' and cigar apps, citing to three particular cigar apps; however, Hacker admitted in his discovery deposition in June 2017 that he had never visited any of the cigar apps he cited in his report and he did not even have a smart phone. 244 TTABVUE 13 n.5, 15-16. Moreover, Petitioner's own, independent research, conducted prior to that 2017 discovery deposition, revealed that one of the very same cigar apps that Hacker relied upon affirmatively promoted consumer confusion between the General Cigar and Cuban COHIBA cigars. No less shocking, in the SER, Hacker makes assertions about confusion among call-in listeners in the podcasts he participated in, yet our review shows that none of these podcasts included any call-in listeners at all. 244 TTABVUE 19. Petitioner should to be allowed sufficient additional time here, no less than 3 months, to investigate Hacker's assertions in the SER further.

The undersigned counsel declares that the factual statements in this Reply are true and correct.

Dated: New York, New York
February 28, 2020

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing PETITIONER'S REPLY IN SUPPORT OF ITS MOTION TO EXCLUDE RESPONDENT'S SUPPLEMENTAL EXPERT REPORT AND RELATED TRIAL TESTIMONY OR, IN THE ALTERNATIVE, TO RE-OPEN DISCOVERY CONCERNING THE SUPPLEMENTAL EXPERT REPORT was served by email on Respondent on February 28, 2020 to:

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